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Report of the European Commission, the International Monetary Fund, the Organisation for Economic Cooperation and Development and the World Bank

Note by the Secretary-General

1. The Secretary-General has the honour to transmit to the Statistical Commission a report prepared by the European Commission, the International Monetary Fund, the Organisation for Economic Cooperation and Development and the World Bank on strengthening cooperation for statistical capacity-building, which is contained in the annex. The purpose of the report is to brief the Statistical Commission on the establishment, work programme and organization of the Partnership in Statistics for Development in the Twenty-first Century (PARIS 21). The report describes the background to the establishment of the consortium, how it is organized and its work programme.

Points for discussion

2. The Commission may wish to discuss how PARIS 21 can best contribute to the goal of statistical capacity-building worldwide.

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Annex

Strengthening cooperation for statistical capacity-building

Report of the European Commission, the International Monetary Fund, the Organisation for Economic Cooperation and Development and the World Bank

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I. Background

1. Over the last decade, United Nations global conferences have focused on the various dimensions of human poverty. As a result of these conferences, international development goals have been set for reducing poverty that command an unprecedented level of international support. The international development goals have proved to be a powerful tool for building the political will needed to reduce abject poverty. For example, they have contributed to the vision for the United Nations Development Assistance Framework and the World Bank's Comprehensive Development Framework and they have also helped to mobilize public opinion in donor countries. Both quantitative and qualitative goals have been set and a number of indicator sets have been developed to monitor development progress.[a]

2. Indicators, however, are only part of the picture. All of them are derived from national statistical systems. Effective and efficient statistical systems are needed both to monitor progress towards the international development goals and to underpin development by providing the basis for rational decision-making, for macroeconomic management, for the efficient allocation of scarce resources and for holding Governments accountable for their policies and activities. While none of this is new, the political momentum established by the international development goals and associated processes such as heavily indebted poor countries (HIPC) debt reduction and the preparation of poverty reduction strategies has raised the profile and importance of statistics internationally — possibly as never before.

3. At its substantive session of 1999, the Economic and Social Council welcomed the work to harmonize and rationalize basic indicators and stressed the need for building statistical capacity in developing countries as a necessary foundation. In its resolution 1999/55 of 30 July 1999, the Council noted the need for coordination between the international agencies to avoid duplication and to ensure comparability of statistical methods in relation to definition, collection and interpretation of indicators. The United Nations Statistics Division was asked to play a facilitating role in creating the necessary network between all statistical stakeholders. At its substantive session of 2000, the Council urged countries, the United Nations funds and programmes, the Secretariat, bilateral funding agencies, the Bretton Woods institutions and regional funding agencies to work closely together to implement the recommendations contained in resolution 1999/55 and to mobilize the required resources and coordinate their efforts to support national statistical capacity-building in developing countries, in particular in least developed countries (resolution 2000/27 of 28 July 2000, para. 4).

4. Despite the increased demand for statistics, there is still a critical shortfall in the national and international effort to develop appropriate and sustainable statistical capacity. There is a pressing need for a substantial increase in the level of funding and its effective use to coordinate coherent and sustainable approaches to statistical capacity-building. For statistical capacity to be treated as a priority by national Governments and international agencies, the awareness of the importance of timely and relevant statistics for policy, management, monitoring and democratic accountability needs to be raised. Donors need to provide more, better-coordinated and coherent technical assistance to support national efforts to develop capacity to produce, analyse and use statistics.

II. Partnership in Statistics for Development in the Twenty-first Century (PARIS 21)

A. Objectives

5. To contribute to this process and to take forward the aforementioned Economic and Social Council resolutions, the United Nations, the Organisation for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC), the World Bank, the International Monetary Fund (IMF) and the European Commission jointly arranged a meeting in Paris on 18 and 19 November 1999 involving a cross-section of national statisticians and policy makers. The meeting stressed the need for a coherent strategy that would address:

- The need for commitment by statisticians and their colleagues to early publication of good-quality, relevant statistics and to increasing their use in evidence-based policy-making;
- A systematic approach to build better statistical systems covering the broad range of statistics

needed to support development that could be sustained in the future;

- The use of appropriate new technologies;
- Better linkages between users and producers of statistics and between donors and developing countries;
- The commitment of national Governments to realistic funding for statistical activities;
- Increased donor funding for sustainable capacity-building that met national and international needs;
- A more strategic approach which would build on current initiatives;
- An effective and coherent management of the strategy, both nationally and internationally.

6. The meeting launched the Partnership in Statistics for Development in the Twenty-first Century (PARIS 21) consortium to reflect the commitment to bringing development partners together to make a real difference in providing statistics for evidence-based policy-making (see appendix). The participants agreed to both short- and long-term aims, namely:

- To encourage and support statistical capacity-building programmes in poor countries in the context of their poverty reduction strategies, Comprehensive Development Frameworks and United Nations Development Assistance Frameworks;
- To establish the PARIS 21 consortium to promote well-coordinated, effective statistical initiatives at the national, regional and international levels.

7. In particular, PARIS 21 addresses and emphasizes the importance of development partnerships, notably:

- Recognizing that the most important contribution to development is made by the people and Governments of developing countries;
- Putting countries in the driving seat to build ownership and commitment for development strategies;
- The need for longer-term commitments by development partners supported by adequate resources;
- International agencies working in cooperation through interventions that complement each other;
- Better-coordinated and coherent technical cooperation.

8. From the beginning, it has been emphasized that the consortium is not an implementing agency; rather its role is to raise the profile of statistics, to facilitate the better coordination of capacity-building activities, to share information between members and to act as a catalyst for development. It has no funds of its own, other than a limited budget to cover the administrative costs of a small secretariat and the organization of regional workshops.

B. Work programme

9. Over the past year, the consortium has concentrated on raising support for the above aims and objectives. There are now about 400 members with a broad regional mix and including a range of both national and international policy makers and statisticians. At a full consortium meeting held in Paris in June 2000, two main areas of activity were agreed for the coming year:

- Organizing regional meetings to discuss how the objectives of PARIS 21 could best be achieved in different areas;
- Setting up eight task teams to take forward the work of the consortium in a number of priority areas.[b]

10. Because PARIS 21 does not implement projects or programmes, the development of links with agencies involved in supporting statistical capacity-building has been important. It is anticipated that the consortium will act as a catalyst, stepping aside as the development partners take the work forward. Capacity-building activities will be financed and implemented on a country-by-country basis by national agencies, and bilateral and multilateral donors. To support this process, the World Bank, for example, has recently established a Trust Fund for Statistical Capacity-Building and it is expected that this fund will work closely with the consortium. The work of the fund is overseen by a consultative group which includes the United Nations, the European Commission, IMF, the

World Bank and the PARIS 21 secretariat as well as contributing bilateral donors.

C. Management, governance and reporting

11. PARIS 21 is open to anyone who is interested in the aims of the consortium and who wishes to join. The main governance structure is provided by the members, meeting as a consortium annually. Day-to-day activities are managed by a small secretariat currently based in OECD's Development Cooperation Directorate in Paris.

12. Between full consortium meetings, activities are directed by a steering committee, whose members will be elected by the membership. An interim committee has been established to direct affairs until the next consortium meeting, which will be held in October 2001. Membership of the committee includes representatives of developing countries, bilateral donors, the United Nations, the European Commission, IMF, OECD and the World Bank.

13. In addition to reports to the members at the annual consortium meeting, it was envisaged at the founding meeting in 1999, that PARIS 21 would provide an annual "state of progress" report to the Economic and Social Council. The present report is the first stage in this process.

D. Next steps

14. The next year will be crucial for PARIS 21. It is essential for the consortium to move on from discussion of the problems facing statisticians in developing countries to substantive action and to strengthening the governance structure. This will enable the consortium to have the dynamism and broad ownership required to make it a success. It needs to build on the momentum generated by the subregional workshops and the work already done by the Statistical Commission in developing the practical guidelines for good practices in technical cooperation for statistics (see E/CN.3/1999/19, annex).

15. In the medium to longer term, there is a need to review the organization and structure of the consortium. In particular, the secretariat is currently supported by a number of bilateral and multilateral donors and financing has been secured for about two more years. Beyond this point, however, it will be important to review its work programme, financing, structure and location.

III. Issues for discussion

16. The Statistical Commission is invited to consider this report and the verbal presentation to be given at the March meeting, to note progress and to provide advice on how PARIS 21 can work with the Commission to implement Economic and Social Council resolutions 1999/55 of 30 July 1999 and 2000/27 of 28 July 2000 on the basic indicators for the integrated and coordinated implementation of and follow-up to the major United Nations conferences and summits. How can the work of PARIS 21 best meet the objectives of these resolutions and the statistical capacity-building needs of developing countries?

17. A key question is how collaboration and coordination between PARIS 21 and the Statistical Commission can best be managed. The Commission is invited to consider how it can be effectively involved in the meetings of the consortium and its governance structures. An associated issue is how the annual report of PARIS 21 to the Economic and Social Council can be used to provide an effective exchange of information and to promote better coordination.

Notes

[a] These include the United Nations Minimum National Social Data Set (MNSDS) and basic social services for all and the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD)/World Bank/United Nations core set of indicators of development progress. The United Nations funds and agencies have made progress in trying to reduce the burden of specialized indicator lists for conference follow-up by agreeing on the indicators for the common country assessment (CCA). This is both used for the United Nations Development Assistance Framework (UNDAF), and drawn on by Governments, the United Nations and other partners when selecting indicators for monitoring country development strategies. Also relevant are the International Monetary Fund's General Data Dissemination System, which does not prescribe a unique set of indicators to monitor development progress; and the International Labour Organization's Key Indicators of the Labour Market (KILM).

[b] More information on the consortium and the current work programme is provided in the appendix to the present annex.

Appendix

PARIS 21: Partnership in Statistics for Development in the Twenty-first Century

What is PARIS 21?

1. PARIS 21 is a new international process established by a global consortium of policy makers, statisticians, and users of statistical information in support of development. It is not a new international agency; rather, it works through existing agencies.

What is it for?

2. PARIS 21 aims to build statistical capacity as the foundation for effective development policies by helping to develop well-managed statistical systems that are appropriately resourced.

3. In the longer term, PARIS 21 aims to help to promote a culture of evidence-based policy-making and monitoring in all countries, but especially in poor developing countries. This in turn will serve to improve transparency, accountability and the quality of governance.

4. As noted by Clare Short (1999): "Without good quality statistics, countries are ill placed to plan and monitor their own development effectively. Badly informed decisions waste scarce resources, particularly affecting poor people who are least able to cope."

What can it do?

5. The PARIS 21 consortium promotes and assists strategic planning to meet the information needs of national development frameworks. It is a source of international expertise and encourages South-South cooperation. It facilitates lesson learning and the sharing of best practices. It fosters more effective dialogue and coordination in international technical cooperation. It will create and disseminate advocacy materials.

6. PARIS 21 aims to raise awareness and demand for statistics and analysis. PARIS 21 has only limited funds for regional workshops, but its membership includes both bilateral and multilateral development agencies. The aim is to build on existing national, regional and international work and to generate a step increase in resources devoted to building statistical capacity. PARIS 21 acts as a catalyst, stepping aside as the development partners take this work forward on a country-by-country basis.

How does it do it?

7. The membership guides what PARIS 21 does. During 2000 and 2001, PARIS 21 will organize a series of regional workshops to raise awareness and explore the scope for regional cooperation. These will be followed by national and

regional capacity-building efforts, bringing together users and producers of statistics and civil society in a policy context.

8. The initial focus, in line with current policy attention, is on helping countries to maximize use of existing information in preparing national Poverty Reduction Strategy Papers (PRSPs) while laying the foundations for sustainable statistical capacity-building to help in implementing them. This includes all heavily indebted poor countries (HIPCs) and other low-income countries, and covers those piloting the United Nations Development Assistance Framework (UNDAF) and the World Bank's Comprehensive Development Framework (CDF).

How can countries take part?

9. Governments that want advice and assistance with respect to developing sustainable statistical capacity can approach PARIS 21 through a number of channels. These include country-based representatives of the United Nations, the World Bank or IMF, or the secretariat.

PARIS 21 principles

10. PARIS 21 is a practical example of applying partnership principles to development cooperation. These principles recognize that the most important contribution to development is made by the people and Governments of development countries. They emphasize the need for country ownership and leadership, shared longer-term international and local commitment and better-coordinated technical cooperation.

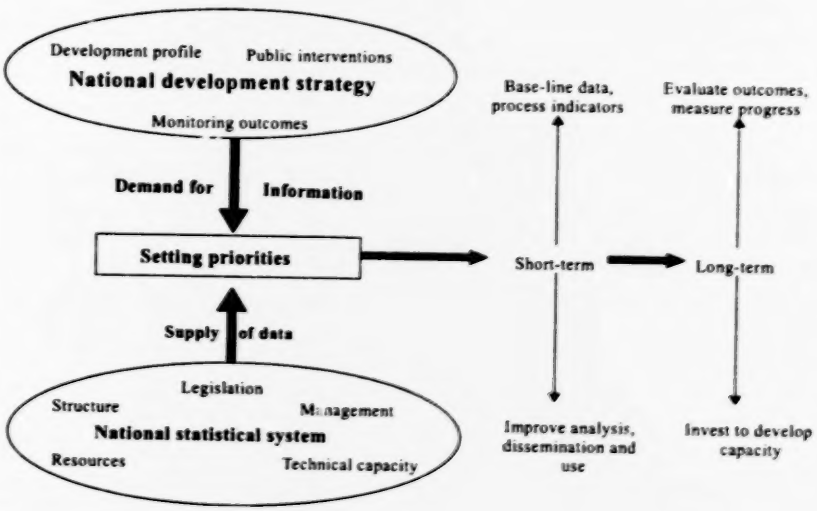
11. PARIS 21 applies the practical guidelines for good practices in technical cooperation for statistics (E/CN.3/1999/19, annex), endorsed by the Statistical Commission in March 1999. These stress the need for statistical development to be well planned, to take a broad view of both information needs and supply, to be driven by priority user needs, and to build on existing systems (see box).

12. As stated by Keith Muhakanizi, Director of Economic Affairs, Uganda, 1999: "Statistics are the eyes of the policy maker".

Setting short- and long-term priorities to match the supply and demand for data in support of national development strategies

The national development strategy process generates demand for three main types of data: for setting a baseline; for selecting public interventions with a high and sustained impact; and for monitoring outcomes. The national statistical system, defined in its widest sense, supplies the data. Its main components include: the overall structure; the legislative framework; management and coordination processes; resource availability; and the technical skills and expertise of its people (see figure).

In the short term, the aim is to generate the priority indicators needed for the national development strategy and improve the dissemination, analysis and use of existing data. In the longer term, the objective is to improve understanding of the impact of interventions, which requires investment in strengthened capacity.



PARIS 21 in context

13. PARIS 21 was launched at a meeting held in Paris in November 1999 of senior statisticians and policy makers from countries and agencies. The meeting was an initiative of the United Nations, OECD, the World Bank, IMF and the European Commission in response to an Economic and Social Council resolution on indicators and statistical capacity-building. The meeting was co-chaired by the Chairs of the Statistical Commission and the OECD Development Assistance Committee (DAC). Clare Short, Secretary of State for International Development of the United Kingdom of Great Britain and Northern Ireland, gave the keynote speech.

14. The Economic and Social Council resolution was part of the coordinated United Nations follow-up to the global conferences of the 1990s. Those conferences produced many quantified development goals for periods up to 2015. There was a resultant upsurge in the demand for indicators to measure progress.

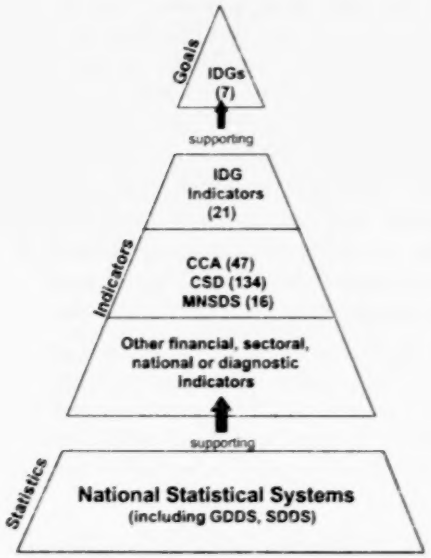
15. For many countries, this upsurge showed the lack of timely, comparable and comprehensive data which PARIS 21 is designed to address. While PARIS 21 is aimed at all the statistics a country requires to set and monitor its economic and social development, the selection of some United Nations conference goals for regular monitoring has increased awareness of the crisis in statistics that led to the PARIS 21 initiative.

16. A major example of selectivity are the seven international development goals: by 2015, to halve the proportion of people living in extreme poverty, provide universal access to primary education and reproductive health services, and reduce infant and child mortality by two thirds and maternal mortality by three quarters, and by 2005, to attain gender equality in primary and secondary education and the implementation of national strategies for sustainable development. Some 21 indicators have been selected to measure progress towards these goals.

17. PARIS 21 is key to efforts to have reliable statistics to monitor these goals as well as other, complementary indicator lists such as the United Nations common country assessment indicators and the minimum national social data set (MNSDS).

18. The key point is that statistical capacity is needed not only to monitor progress but also to achieve it. Identification of need and comprehensive knowledge of resources and constraints all constitute crucial information for a Government seeking to set and implement appropriate pro-poor policies. Without timely and reliable statistics, policy makers are blinded and the decisions they make are flawed.

19. The pyramid below illustrates the dependency of the international development goals and indicator sets on national and regional statistical systems, supported by existing systems and standards.



IDGs - International Development goals

CCA – Common Country Assessment (UN & partners)
CSD – Commission on Sustainable Development
MNSDS – Minimum National Social Data Set

GDDS - General Data Dissemination System (IMF)
SDDS - Special Data Dissemination Standard (IMF)

Membership

20. PARIS 21 members include people from Governments, regional and international organizations, professional bodies and academic institutions. In November 2000, there were almost 400 members from over 100 countries representing 196 agencies. Over two thirds of country members are from developing countries. Membership is open to anyone with practical experience and a wish to collaborate to improve policy-making through reliable, pertinent statistics.

How do members participate?

21. PARIS 21 has the following task teams, which operate mainly by email (members are invited to sign up with those teams to which they can make a contribution):

(a) Advocacy products: making the case for better information;

(b) Information exchange: statistical capacity-building projects and events;

(c) Sequenced information strategies: process and experience with strategies;

(d) Indicators: poverty monitoring and statistical capacity;

(e) Methodologies and technologies: new developments and costs;

(f) Census: funding and management of censuses.

PARIS 21 secretariat

22. PARIS 21 is serviced by a small secretariat based in Paris, as part of the Development Cooperation Directorate of OECD. The work of the consortium is guided by a steering committee with representatives of developing and transition countries from each region of the world, bilateral donors, and the United Nations, OECD, the World Bank, IMF and the European Commission.

23. The PARIS 21 web site can be visited at www.paris21.org. The secretariat can be contacted at contact@paris21.org or at Room 1642, 2 rue André Pascal, 75775 Paris Cedex 16, France. Tel: +33 1 45 24 90 51; fax: +33 1 44 30 61 46.